

These pages contain the “Home Improvement Contracts” section of the *Home Improvement Consumer Protection Act*. This is **not** the entire law. While this section may assist you in ensuring the your contracts meet the requirements of the act, you should review the entire law to ensure that you comply with the statute.

§ 517.7. Home improvement contracts

(a) Requirements.--No home improvement contract shall be valid or enforceable against an owner unless it:

(1) Is in writing and legible and contains the home improvement contractor registration number of the performing contractor.

(2) Is signed by all of the following:

(i) The owner, his agent or other contracted party.

(ii) The contractor or a salesperson on behalf of a contractor.

(3) Contains the entire agreement between the owner and the contractor, including attached copies of all required notices.

(4) Contains the date of the transaction.

(5) Contains the name, address and telephone number of the contractor. For the purposes of this paragraph, a post office box number alone shall not be considered an address.

(6) Contains the approximate starting date and completion date.

(7) Includes a description of the work to be performed, the materials to be used and a set of specifications that cannot be changed without a written change order signed by the owner and the contractor.

(8) Includes the total sales price due under the contract.

(9) Includes the amount of any down payment plus any amount advanced for the purchase of special order materials. The amount of the down payment and the cost of the special order materials must be listed separately.

(10) Includes the names, addresses and telephone numbers of all subcontractors on the project known at the date of signing the contract. For the purposes of this paragraph, a post office box number alone shall not be considered an address.

(11) Except as provided in section 12, agrees to maintain liability insurance covering personal injury in an amount not less than \$50,000 and insurance covering property damage caused by the work of a home improvement contractor in an amount not less than \$50,000 and identifies the current amount of insurance coverage maintained at the time of signing the contract.

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(12) Includes the toll-free telephone number under section 3(b).

(13) Includes a notice of the right of rescission under subsection (b).

(b) Right of rescission.--An individual signing a home improvement contract, except as provided in the emergency provisions of section 7 of the act of December 17, 1968 (P.L. 1224, No. 387), known as the Unfair Trade Practices and Consumer Protection Law, shall be permitted to rescind the contract without penalty regardless of where the contract was signed, within three business days of the date of signing.

(c) Copy to be provided.--A contractor or salesperson shall provide and deliver to the owner, without charge, a completed copy of the home improvement contract at the time the contract is executed which shall contain all required notices.

(d) Arbitration clause.--Nothing in this act shall preclude the court from setting aside an arbitration clause on any basis permitted under Pennsylvania law. If the contract contains an arbitration clause, it shall meet the following requirements or be deemed void by the court upon motion of either party, filed prior to the commencement of arbitration:

(1) The text of the clause must be in capital letters.

(2) The text shall be printed in 12-point boldface type and the arbitration clause must appear on a separate page from the rest of the contract.

(3) The clause shall contain a separate line for each of the parties to indicate their assent to be bound thereby.

(4) The clause shall not be effective unless both parties have assented as evidenced by signature and date, which shall be the date on which the contract was executed.

(5) The clause shall state clearly whether the decision of the arbitration is binding on the parties or may be appealed to the court of common pleas.

(6) The clause shall state whether the facts of the dispute, related documents and the decision are confidential.

(e) Voidable clauses.--If a home improvement contract contains any of the following clauses, the home improvement contract shall be voidable by the owner:

(1) A hold harmless clause.

(2) A waiver of Federal, State or local health, life, safety or building code requirements.

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(3) A confession of judgment clause.

(4) A waiver of any right to a jury trial in any action brought by or against the owner.

(5) (Reserved).

(6) An assignment of or order for payment of wages or other compensation for services.

(7) A provision by which the owner agrees not to assert any claim or defense arising out of the contract.

(8) A provision that the contractor shall be awarded attorney fees and costs.

(9) A clause by which the owner relieves the contractor from liability for acts committed by the contractor or the contractor's agents in the collection of any payments or in the repossession of any goods.

(10) A waiver of any rights provided under this act.

(11) A provision providing for the automatic or recurring renewal of any provisions of the agreement, unless:

(i) the contract establishes a procedure by which the owner can choose not to renew the provision or provisions, thereby avoiding any new fees or charges, by providing written notice to the contractor via first class mail postmarked no later than three business days prior to any renewal;

(ii) such procedure is clearly and conspicuously disclosed in the agreement; and

(iii) the contract includes a provision requiring the contractor to notify the owner of any automatic or recurring renewal, and the owner's option to cancel such renewal, by mail, not earlier than 20 days and not later than ten days prior to the date of any such renewal.

(f) Home improvement retailer contracts.--A home improvement retailer having a net worth of more than \$50,000,000 or an employee of that retailer that does not perform home improvements shall comply with the provisions of this subsection. No home improvement contract issued by a home improvement retailer having a net worth of more than \$50,000,000 or an employee of that retailer shall be valid or enforceable against an owner unless the contract:

(1) Is in writing and legible and contains all of the following:

(i) The name, address and telephone number of the retailer.

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(ii) The name of the person signing the contract on behalf of the retailer and the person's position with the retailer or the person's authority to sign the contract.

(iii) The signature of the owner, the owner's agent or other contracted party.

(2) Complies with subsections (a)(3), (4), (6), (7), (8) and (9), (b), (c), (d) and (e).

(g) Contractor's recovery right.--Nothing in this section shall preclude a contractor who has complied with subsection (a) from the recovery of payment for work performed based on the reasonable value of services which were requested by the owner if a court determines that it would be inequitable to deny such recovery.